General studies (M): 2019

Test code - 1230

Test No. - 9

Manish Sharma

Reg. No. - 19552

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Q1

Mughal empire (1526 - 1857) ruled India. It united all regions and affected political, economic and cultural aspects of Indian society. However it declined after arrival British rule.

Factors responsible for decline

① War of succession after Aurangzeb death weakened Centralized rule of Mughals.

② Nobles concentrated on their regional powers (Awadh, Bengal and Hyderabad).

③ Successors were not of that ability. They lacked political will to rule.

④ Revolt by peasants of Satnami, Jat and Marathas.

⑤ Foreign invasions and attacks from Afghans.

⑥ At last, British guided by modern, scientific and rational approach diluted Mughal rule in itself.

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It helped British rule to expand by following reasons :→

1. Rulers fighting themselves. Britishers used divide and rule to further their interests.

2. No feeling of nationalism among any powers (Maratha or Mughals) to unite against common enemies.

Hence, Mughal empire's mantle fell on British colonial rule which exploited India in all aspects. 1757 – 1947 British rule exploited India economically, politically and socially.

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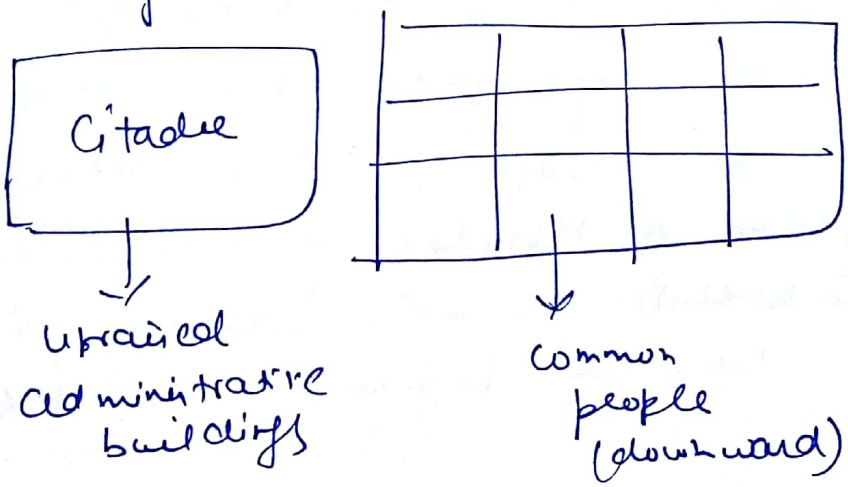
Q2

Indus valley civilisation (2500BC–1800BC) is civilised urban society which flourished in Indian subcontinent. Town planning, seals, pottery, trade oriented and foreign trade of IVC were other prominent factors. It shown torch bearer to future civilisations..

Features of IVC

1. Town planning → Houses built symmetrically with burnt bricks in ratio of 4:2:1. Drains, perpendicular roads, granaries and storage in cities.

2. City was divided in two parts



3. Sculptures → made up of steatite
→ with lost wax technique (Bronze statue)

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(4) Seals used for trade, education tools and to ward off evils. Seals made up of gold, silver, steatite, carnelian etc.

(5) Trade relations with Mesopotamia, Sumer and Persia.

(6) They worshipped nature and gods in form of Pashupati seals and mother goddesses.

(7) Bricks discovered from Harappa site during colonial times show their architectural marvels.
Many things like seals, beads, sculptures and pottery are excavated.

However inscriptions of IVC are still not deciphered which restrict us to gain knowledge about them.

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Q3

Indian national movement was successful ideologically oriented mass struggle for independence against Britain. It passed through many phases. Internally it went through moderate, extremist and mass mobilization. Externally it was influenced by common cause of Asian-Africa colonies for self determination.

First world war

1. Indian National congress though rejected Britain's fight for colonies. However it supported them in hope of future dominion status after war is over.

2. First world war (1914-1918) brought Britain and Turkey against each other. Muslim community opposed the displacement of Caliphate of Turkey by Britishers. This all resulted in All India Khilafat movement.

3. Home rule league was started by Annie Besant and Tilak. They wanted swaraj on the lines of Canada and Australia.

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(4) Socialist movement of Russia (1917) also raised hopes to fight against imperialism.

(5) USA, Britain and France promised and assured national self-determination after war is over. This promise was not fulfilled.

Actually, F.W.W. was war of colonies. This increased price of commodities which further brought social unrest.

Internal and external causes during W.W. I provided enough stimulus but iron hand rule of Britishers continued which lifted only in 1947.

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04

The Dravidian movement of South India was against Brahmanical domination. In 1925, EVR Periyar formed self respect movement against caste inequality. He fought against colonial rule and inspired subaltern of South India. He became leader of so-called lower caste and advocated social equality and justice.

Contribution of EVR in challenging conservatism

1. Conservatism was guided by status quo approach of caste hierarchy.
2. He challenged it and called for upliftment of downtrodden.
3. He formed Dravida Kazhagam which later became DMK, a party for social justice programmes.

Socio-political reforms

EVR Periyar asked for equal opportunity in education and jobs for all. He opposed domination of Hindi language and elite structure of Congress.

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He was one of social reformer of South India who fought vulnerable sections' interests through Justice Party.

He even called for separate Dravida Nation in his extreme words. He sought to get justice for women, lower castes and vulnerable in all situations.

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Q5.

British governor Generals always hoped for territorial expansion. Lord Wellesley's subsidiary alliance was one of those policies during 18th and 19th century. It forced native rulers to station British diplomat in his Kingdom. ~~He~~ Kingdom was not allowed to maintain his force as protection would be provided by Britishers.

Features

(1) Kingdom opting for subsidiary alliance would not station any other diplomat of other European powers. He has to take permission from Britishers before making any alliances with other Kingdoms.

(2) Princely states had to pay for these services to Britishers.

How did this policy help

(1) It checked colonial expansion by other European powers thereby maintaining British supremacy.

(2) Kings could not take independent security and foreign policy; thereby making them weaker internally.

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(3) Britishers could protect princely states from French Napoleon Bonaparte and ensured survival of their rule in India.

(4) Continuous remuneration from princely states to Britishers. Friendly kings would be allowed to rule only in these states.

If any state could not provide remuneration, they had to submit the proportion of their kingdoms (like Awadh 1800). This further expanded Britishers territorially.

However, it resulted in resentment and unemployment in states. These policies gave their bad results in 1857 revolt.

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Q6

Home rule league movement was started in 1915-1916. It was started by Tilak, on his release from prison along with Annie Besant, the admirer of Indian Culture. Home rule was demanded like Irish home rule movement. The swaraj was goal and self rule guided by dominion status was demanded through Home rule league.

Emergence

(1) lack of success from moderate congress.

(2) Inactivity due to failed revolutionary terrorism.

(3) world war I started so it was right time to launch the struggle. However, congress did not approve it initially. But Tilak and Besant continued to strengthen it

Significance

(1) It brought life in struggle for independence.

(2) It was nationally distributed movement.

Tilak → Maharashtra (except Bombay), Central Provinces, Berar.

Annie Besant → rest of India

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3. It also united congress and Muslim league through Lucknow pact.

4. It provided united front against Britishers during first world war to demand rule. At the same time it did not hurt Britishers' war efforts.

Decline

1. Britishers reacted ruthlessly and arrested Annie Bysant in 1917. Tilak went to England to fight case against British political commentator. Movement was left leaders.

2. Congress did not fully support the movement. Some leaders like Pt. Nehru voiced their consensus.

However home rule league provided another step in long staircase towards independence.

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Q7 Pahari school of painting emerged in medieval period in mountainous region of Himachal Pradesh. With the decline of Mughal rule and decrease in number of patronage, pahari school of painting gained importance.

Kangra

1. Kangra school of painting is miniature type of painting.
2. Themes are natural scenery.
3. Bright colour, compactly arranged.
4. Jahangir, the staunch supporter of paintings also contributed towards pahari school of paintings.

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Q8

Netaji Bose was staunch freedom fighter. He was inclined to socialist pattern of social where equality for all is ensured. He believed in action through realistic means of might. Initially he believed in Gandhian ways. However rift generated in 1939 Tripuri session between Gandhi and Bose.

Contribution of Bose

1. In 1930s he provided freedom struggle colour of left ideology. He was President of Congress in 1938 and 1939. He formed National Planning Committee with Pt. Nehru as chairman. He was also concerned about people's movements in states (princely). Thus he brought All India State's conference within the demands for democratic rights of people.

2. In 1939, he formed Forward bloc and become more vocal opponent of British rule. He understood the inherent contradiction b/w British and Indian interests.

3. He was convinced that force can only defeat British imperialism.

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(4) He went USSR in 1941 to fight against Britishers. But left for Germany when USSR allied with Britain in W.W. II.
He formed Indian National Army (1943) in Singapore and marched towards India from North Eastern Border.

(5) He mobilised Indians and ex soldiers living in South East Asia to form nationalist army. He also formed women's battalion 'Jhansi Rani'.

Thus diplomatically he took help of every possible nation to fight Britishers. After convinced that independence can be gained only by force, he build his military strength.

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Q9 Numismatics and epigraphy since ancient times provide enough evidence and study of ancient historical culture and heritage.

Evolution

1. Coins emerged even during Ashoka period but low quality.
2. Indo Greeks brought gold coins.
3. Kushanas developed coinage system more.
4. Gupta coins flourished all around the country.

Reconstruction of history

1. Seals like Harappan helped in understanding history of IVC.
2. Samudragupta inscription on coins provide evidence for its art loving nature.
3. Coinage and numismatics helped in trade which further enlightens the trade relations. Discovery of Roman coins in South East Asia and Africa provides linkages in history.

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Q10

Trade is prominent in Indian subcontinent since Indus valley civilisation. Ancient silk route passed through northwestern Indian subcontinent. Various cultures like Greek, Romen, Chinese, Persian and Central Asian came to India. Interlinking with people resulted in blending of cultures. Trade played important role.

Other modes

1. Various spiritual thinkers like Chinese xuan zang, sufi saints also came which resulted in intermixing of culture
2. Chola kingdom of south took its culture in South East Asia.

Trade role

- Ancient
  - Indus valley → Sumerian, Mesopotamian
  - Kushan rulers (Kushana) → Gandhara art of sculpture
  - Romen → Indo-greek rulers brought gold coins technique
  - South India → Trade with Romen empire, 'Arikmedu site'

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Medieval → Trade of Sultanate and Mughal rulers with Arabs resulted in inter-mixing of culture.

→ Portugese settlement

The most prominent being temples built outside India in Cambodia (Angkor Vat) and Indonesia (Borobadur temples)

Ashoka during ancient times sent his missionaries to far flung areas and abroad to spread dhamma doctrine.

Hence, trade relations brought people of different regions together and built a cosmopolitan culture.

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Q11 Indian capitalist class played important role in Indian freedom struggle. Capitalist class which includes businessmen, investors and industrialists looked to further their interests. Britishers supported their industry first which Indian capitalist did not like. Despite this the role of Indian capitalist class was not consistent.

Contribution

(1) In 1857 revolt → Indian capitalist class opposed as it favoured rule of law and disturbance would hurt their interests.

Though at that time capitalist class was in nascent stage.

(2) In second half of 19th century, the demands of increased import duty was not taken by Britishers.

The industrial laws and acts concerning workers were aimed at Indian capitalists.

This affected them and they decided to align with nationalist forces as they understood only independent and nationalist government can protect their interests.

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(3) Capitalists opposed swadeshi and boycott movement as wanted stability. Though they were happy on being rejecting foreign clothes but law & order was their priority.

(4) Capitalists gained much during world war I due to rise in prices. ~~and~~ They halfheartedly supported next movement that is non-cooperation movement. (1920-22)

(5) Capitalists were furious of any mass based left movement which was taking shape in congress during 1920s and 1930s.

(6) They supported civil disobedience movement (1930-32) as some demands like rationalising pound sterling ratio which suited them was included.

Congress started including interests of capitalist class in their plan. As it was necessary for modernisation and development.

Capitalists also contributed in funding of congress. For ex. Tata sent relief to Gandhi in south Africa.

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Capitalists though concerned about their profit making motives were convinced that British rule not in their favour.

The trade, finance and industry policy of Britishers restricted their development.

Hence capitalists gradually started supporting congress as indigenous government can only provide enough tariff support.

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Q12 British permanent settlement introduced in 1793. It was land revenue system which was improved from previous tax structures. Brought by Lord Cornwallis, it also faced both negatives and positives.

Expectations

1. Land revenue fixed at 10/11 of produce. It was fixed and not changed in future. Thus it would bring continuous and unimpeded revenue to state. Farmers and zemindars can invest the remaining amount.

2. If any zemindar failed to provide revenue, his land would be transferred. Thus it would incentivise them to pay regularly.

3. Since revenue would not increase in future, technology upgradation and productivity could be increased.

Default on payments

1. Lack of proper oversight
2. Legally fight in courts over default

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did not bring quick results.

(3) They tried to extract as much revenue as possible as land was made transferable.

(4) Revenue fixed was so high that it was difficult for tenants to pay to Zamindar.

Land revenue permanent settlement did not extend beyond Bengal, Northern Bengal as :→

Reasons

(1) Land structure was not uniform throughout the country. For ex. In Madras land holding was small, here government directly collected Revenue from Ryots known as ryotwari settlement.

(2) Relations with zamindar were not harmonious everywhere. For ex. in Ganga valley Mahalwari system was adopted where village headmen used to collect revenue.

(3) Also, Climatic conditions, soil, irrigation and ~~soil~~ cropping pattern was not uniform through out country.

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(4) Finally, permanent settlement did not prove so efficient that it can be imposed as one size fit all approach.

Permanent settlement made land transferable. Feudal relations which were hitherto traditional were transformed to transactive. Result was no investment in land and stagnant agriculture. Peasants conditions further deteriorated.

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Q13

Communal is a political terminology. Communalism is its practical application. Communalism is trade of religion in politics. It is an ideology where religion is unnecessary brought in otherwise secular political activities. It did not find its place before 1857 very much.

Socio political transformation

→ In 19th Century, educated Hindus and Parsis became dominated. However orthodox religious leaders dominated Muslim community. Educational backwards among muslim was utilised by orthodox muslims to deviate them from modern thinking.

→ Britishers after 1870s started using communal card by advocating separate reservation in jobs and education for muslims. This was done to dilute growing nationalist unity.

→ Educationist like Syed Ahmed Khan asked muslims to get away from Congress and support Britishers (communal seeds).

→ Britishers through divide and rule helped in establishing Muslim league (1907) and provided separate electorate for them in 1909.

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→ Hindu communalism also arose in response which made Britishers easy to further ~~divid~~ divide & rule.

Hence social causes made differences which are bound to arise in any society. But they are utilised politically by narrow minded communal leaders who did not understand exploiting nature of imperialism.

Economic transformation

(1) Industrialists, educational leaders, and government jobs were dominated by Hindus as they invested in education. Muslims were remained in clutches of Ulemas which made them further backward

(2) Muslims as peasants and Hindus as landlords in Malabilla (Kerala) and Dhaka further exaberated problems. When social differences overlap then divisions bound to happen and specially when Britishers were leaving no opportunity to divide & rule.

Hence communalism was used as a political tool by hardline leaders and Britishers. The ultimate result was painful partition of society which lived for thousand of years in harmony.

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Q14

Swarajists were leaders who favoured for entry in central legislative council. Led by C.R. Das and Motilal Nehru in 1922; swarajya party was formed after ~~failure of non-cooperation~~ withdrawal of non-cooperation movement (1920-22). They were concerned about political inactivity and wanted to protest by remaining in legislature. However some in congress opposed this.

Arguments

1. Swarajists thought that political inactivity will take movement to standstill. As people not ready for mass revolt better to fight in four walls of legislature.

2. It is necessary to arouse political consciousness among people.

3. They wanted to stop government's move officially by protesting & voicing opposition.

No Changers opposed this

Leaders like Sardar Patel, Rajendra Prasad were no changers who wanted that ~~this~~ the work among masses should be done.

1. Council entry programme will kill already generated consciousness through NCM.

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(2) Congress should concentrate on constructive programmes like self reliance, fight against untouchability, hindu muslim unity.

(3) There is need to make people ready for next mass movement.

However, Swarajists fought elections in 1924 and registered below successes :→

(1) They won 42 seats in central legislative assembly without much preparation. This was just short of majority. They were able to elect vithalbhai Patel as first Indian speaker in 1925.

(2) They opposed government policy by strong oppossitions and frequent walkouts.

Limitations

(1) Masses were ready for demonstrations, this kind of political work already experimented by moderates hence low utility.

(2) with death of C.R. Das, swarajists weakened.

(3) Communal feelings generated in secular swarajist party. leaders like Moden Mohan Malviya & Lala Lajpat rai

brought Hindu nationalist interests forcefully. Muslims were furious if any such interests were propagated, even for good purposes.

Thus swaraj party tried its best. They have same goal like no-changers but different path.

Q15 Vijayagar empire was great civilisation in deccan of medieval India. In 13th and 14th century, it provided good welfare policies and ensured better livelihood for its people. In Raichur doab, it frequently quarrelled with Bahmani kingdom which resulted in destruction of vijaynagar empire in 1565. However it gave rise architectural art and cultural marvels.

Inscription and monuments.

1. Vijaynagar architecture is famous for its temple. vijaynagar style of temple mainly flourished which included features like :→

   1. Dravidian style of temple with high building walls.
   2. Big horses or gopurams.
   3. Kalyan Mandapams → Marriage halls.

   Ex. Virupakshe temple of Hampi

2. Sculptures of vijaynagar rulers and their wives depicting gods krishna and Sapis, provide their religious links.

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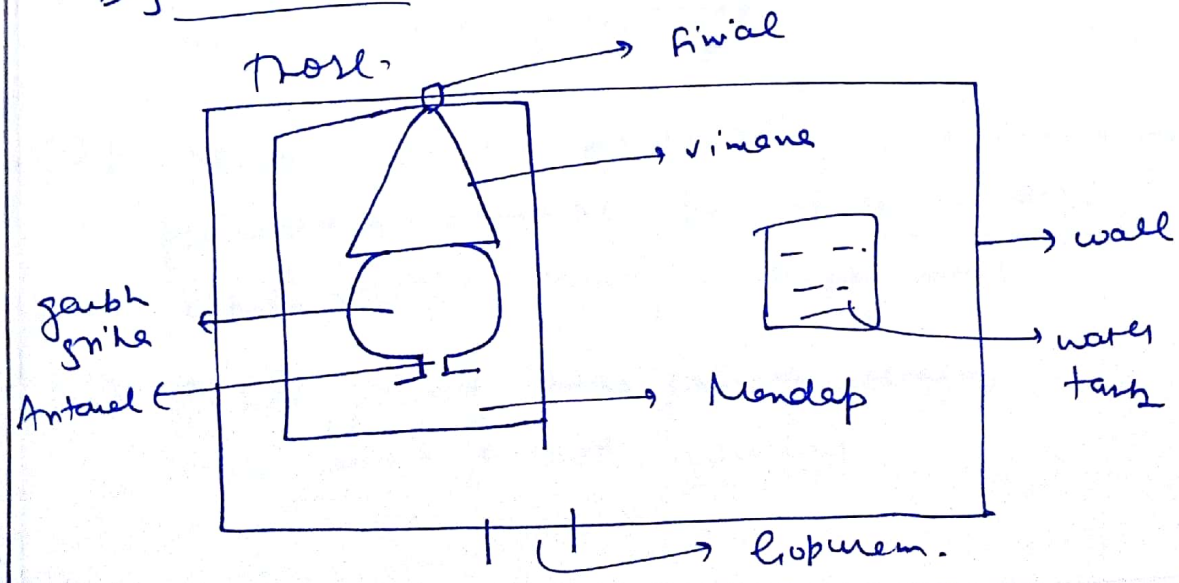
3. Inscriptions written during vijaynagar rule survived even after ruins of Hampi.

4. Rathna temple architecture is most notable feature.

Hence, vijaynagar empire did not only succeed in architecture but also in other literature forms. Vijayanagar kings themselves were great patrons and writers. Telugu literature 'Amuktamalyada' written by King of vijaynagar.

Temple architecture of vijaynagar is subclass of Dravidian style of temple:→

1. It is lavishly built with mythological animals having wings. Big Horses on temple walls demonstrate



Various temples built in vijaynagar empire. Famous is Virupakshe temple of Shiva, Hampi.

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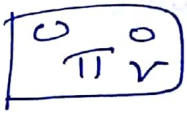
Q16 India has history of civilisation. Starting Indus valley to Aryans to Ganga valley civilisation, there has been continuity and change. Ancient India provided enough contributions in all sort of fields including architecture, art, science, mathematics and medicine.

Contribution of ancient India

1. Indus valley civilisation used seals made up of steatite or metals. They had mathematical values inscribed on it which are yet to be deciphered.



Hence people were aware of mathematical educational system.

2. Aryans brought iron which was useful in irrigation and agriculture.

3. Various Hindu philosophy like Vaisesikha focussed on atomistic character of universe, which relies on scientific temperament.

4. Gupta period was gem of science, mathematics and medicine.

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Mathematics.

Astronomers like Aryabhatta discovered 'zero' which enlightens world even today. Vaishmira provided enough astronomical studies. Bhaskaracharya gave beejganit, golganit theories which provided light on problem solving in Algebra & geometry.

Science

Nagarjuna ⟶ produced theories of metallurgy

Astronomical science already developed.

Science included various medicinal inventions of that period

Medicine

Charak Samhita by Charaka dealt with medicine in detail. Sushrut Samhita by Sushrut dealt with surgery.

Surgeries of nose, face and plastic surgeries were prevalent.

Hence there have been rich cultural heritage but it would not be transformed to contemporary scientific developments. Indian civilization have enlighten the world in

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~~past. There is need to identify our ancient past without compromising the realities of current developments of science and technology.~~

past. There is need to identify our ancient past without compromising the realties of current developments of science and technologies.

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Q17

The nationalist movement of 19th Century created ideology of economic exploitation by Britishers. The moderates highlighted restrictions imposed on civil liberties. They exposed how British rule has become rule of democracy in home and benevolent despotism in colonies.

Nationalist movement

Nationalist organisations flourished in various parts of India in 1870s and 1880s. With establishment of Indian National congress in 1885, the need was felt for generating political consciousness among Indians. Ideology to be formed and public opinion to be formulated.

Ideology

Leader like Dada Bhai Naoroji through his work 'Poverty - Unbritish rule of India' highlighted how British rule in exploiting India. British rule in taking wealth from India to Britain causing drain of wealth. The economic interests of rulers and native people are contradictory.

Thus economic ideology was created

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which was enough to deflect just rule idea of Britishers. It explained how trade, finance and industry policy is exploiting peasants and capitalists.

Democracy

No representation of locals in British administration. Constitutional reforms were very gradual. Indian representation if any existed was with landlords. Even franchise in later years was available with 10% of India's population

Civil liberties

Vernacular press act (1878), Rowlatt act (1919) and other fundamental freedom restrictions was feature of Britishers which was highlighted by Nationalists.

Though these tools, nationalists guided by moderates, extremists and mass movements fought Britishers. First they attack on fallacy that Britishers are good for India by bringing ideological critique. Then they fought with view that Britishers can't be defeated through mass based movements.

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These techniques and strategies were used by all nationalists in varying degrees till freedom was achieved in 1947.

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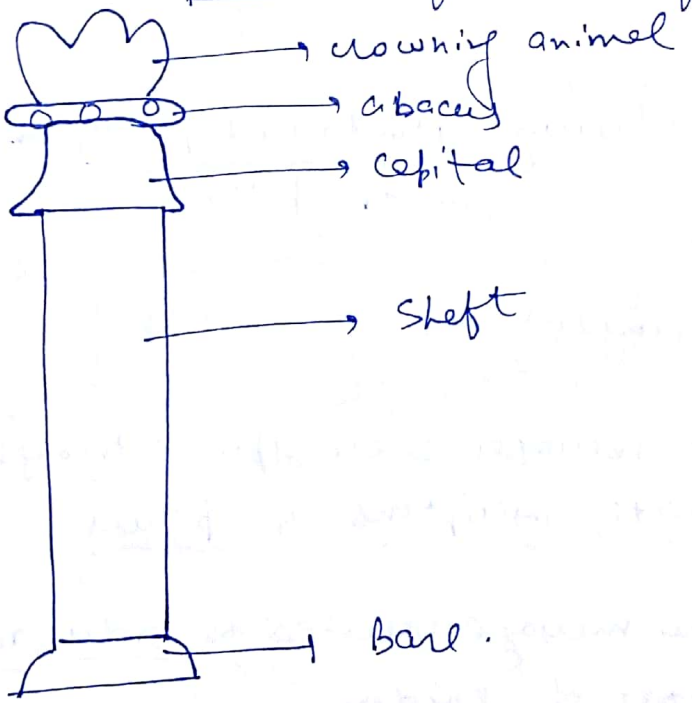
Q18

Ashoka was ruler of Mauryan period in ~~321 BC, 319 BC~~ around 269 BC. He was known as Chakravati Samrat. He was staunch supporter of architectural aspects of culture. He was allowed initially with Ajivika sect and built caves. Later he was influenced by Buddha and built stupa, sculptors and pillars.

Salient features of Ashoken Pillar



1. Ashoken pillars were monolithic that is built by one rock or stone unlike ~~[illegible]~~ Iranian pillars which are built piece by piece.

2. Highly polished.

3. Immense strength.

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(4) Crowning animal depicts the intent of pillar. It may consist of lions, bulls and elephants

(5) Abacus signify wheel. Circulation of wheel depicts dhammachakrapravartan.

(6) Abacus has animals running around.

(7) Capital consisting of lotus or bell shaped material.

(8) Shaft and base provides strength and resilience which are highly polished.

(For ex.) Lauriya Nandangarh pillar, Champaran Sarnath pillar.

Messages

(1) Ashoka's messages were spread through rock edicts, inscriptions or pillars.

(2) Earlier his message devoted to orders, rules and victory of kingdom.

(3) After Kaliga war, he spread the message of dhamma through these pillars and rock edicts. Dhamma was moral ethical code of conduct.

(4) Ashoka edicts are found in all over the country. For ex. Taxila, Ujjain.

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Q19

Non-cooperation movement (1920-22) was movement to non-cooperation towards government. It opposed govt. schools, jobs, courts, foreign clothes. Khilafat agitation (1919-22) was against treatment of Turkey caliphate by British. Muslim led Khilafat agitation.

Reasons for NCM & Khilafat

1. Punjab wrongs (Jallianwala bagh massacre) and rowlatt act.
2. Hunter commission disappointed nationalist leaders.
3. Muslims were angered due to non-fulfilment of promise of British that Turkey (caliphate) was not denied of his kingdom. This led to Khilafat agitation.

New stage

1. Hindu-Muslim unity. Mahatma Gandhi became leader of Khilafat conference. Hindu leaders gave speech from mosques. Similarly muslim leaders gave up cow slaughtering.

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(2) United opposition to British, though due to different reasons.

(3) Educationist and radical muslim which displayed nationalist feelings found their way in these movements and led anti-imperial struggles.

(4) Mass mobilisation of peasants, workers, artisans and common people transcending religion and caste lines.

(5) Earlier moderates were focussing on petitions and prayers.

Extremists were limited to agitation and passive resistance.

However NCM and Khilafat led to mass involvement of all people involving women. Demonstrations happened country wide. It reduced fear of British among masses.

Negatives

→ However the inclusion of Khilafat was considered bringing communal look to otherwise secular political movement (NCM)

→ Mapilla revolt brought Hindu-Muslim rift.

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→ Secular nationalists could not convince Khilafat leaders to continue struggle against Britishers after Khilafat issue dimmed.

However, Despite negatives, the phase brought consciousness of freedom to all strata of societies.

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(Q20) Bhakti and Sufi saints of medieval India provided a new way to religious devotion. They both opposed any sort of social inequality and said God is available equally for all.

Bhakti

Bhakti saints broke caste hierarchy and Brahmanical domination.

Nayanars and Alvars were bhakti saints of Shiva and Vishnu in South India. They sang in praise of god in local language. They opposse any sort of sacrifice. Any common man can perform devotion to God.

Shankaracharya (8th C.E.A.D) of Kerala defended Hinduism at intellectual level and said knowledge is path towards God. Advaitvada (non-dualism) where God and individual soul are one.

Similarly Ramanuj focussed on devotion to God through love.

Bhakti saints like Meera Bai, Kabir, Guru Nanak all supported devotion and worship without discrimination.

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Sufi

Sufi a mystical element in Islam preferred love and devotion to God. It rejected the complex study of Quran and focused on 'Haamjapne', ultimate love and devotion without need of religious teacher.

Sufi saints resided in Khankas to resolve issues of people and taught them how to worship. People were not free to decide the way they want to worship God.

Sufi saints (11th A.D) from (Middle East/Persia)

- Silsilas
  - Chistiya → did not accept offer in sultanate
  - Suhrawadi → accept offer in sultanate.

Some sufi saints like Qalandar even did not recognize Shariat.

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Thus, Bhakti and Sufi sects belonged to common people. They were unconnected from orthodox, rigid and religious teacher oriented worship of God. They rejected caste inequalities, hierarchy or class structure which gives preference to some in matters of faith.

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CS Mains Answer writing - 2019

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Test code - 1234

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7588182274

sir,

which approach to follow :→

(1) Do (15) questions - in good manner (and)
(5) questions - unattempt or poor

(or)

(2) Do all (20) questions - in average

In this paper, I tried to attempt all.

Q1. Labour force participation rate is number of people who are employed and seeking employment divided by total population.

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Acc. to labour ~~berau~~, bureau, India's LFPR is 52% which is further lower for females. Rural LFPR is still lower than urban.

Reasons

(1) Lack of employment generation due to complex labour laws. Industries prefer to go ~~labour~~ capital intensive rather labour ~~capital~~ intensive.

(2) Demand-supply gap in skill requirement. Our education system and skill development programmes not able to provide skill set required by industries.

(3) More educated prefer to remain unemployed till they find suitable job

(4) Some policy decisions like demonetisation made unemployment increase in informal sector. Out of frustration, people opted out of labour force who were waiting for jobs.

(5) Feminization of agriculture made women to work in agriculture as rural males migrated for more opportunity.

Step taken

(1) Codification and simplification of labour laws is proposed to convert 44 labour codes to 4 central labour codes.

(2) Relaxed rules for starting business, single window clearence

(3) National skill development programmes and vocational training started to meet industry requirements.

There is need to harness trade war opportunity so that our exports increase to USA & China.

Q2 Executive is accountable to legislature through budgetary process and voting on demand of grants. Any withdrawal from consolidated fund of India can not be done except through appropriation law.

The importance of parliamentary budget office is increased to ensure more accountability.

Role

(1) The parliamentary budget office (PBO) shall be permenent institution to consider demand of grants and can even suggest necessary policy changes.

(2) Currently standing committees can only check demand of grants. That role would be played effectively by PBO with domain experts.

Importance

(1) Since in parliamentary democracy, expenditure is done after due approval. Now, executive is free to

withdraw money. With PBO, they have to justify the economics of policy.

(2) Decision making in executive will be transparent and more accountable as far as budgetary allocation is concerned.

(3) Gender budgeting, expenditure on social sector schemes and other sensitive assistance like old pensions would not be neglected.

Challenges

(1) Difficult to have consensus.

(2) Constitutional amendment would be required.

(3) It would make budget process more complex.

(4) Delay and policy paralysis may haunt in PBO scenario.

However, there is need to check excessive and wasteful spending like March Rush. Hence the provision like PBO must be considered.

Q3

Micro, small and Medium Enterprises provide employment to 11 crore people, contribute 32% to GDP and have 40% share in exports. These small scale industries are evenly distributed across ~~Emptor~~ country.

However it faces challenges like low technology, poor logistics and institutional credit.

Problems in institutional credit

1. Low awareness among MSMEs about various schemes of government.
2. Lack of collateral with small industries, to raise loan.
3. Lack of financial reach and inclusion. Low last mile connectivity of banks.
4. Banks hesitate to extend loan in fear of loan becoming NPA's

Steps taken by government and RBI

1. Launch of MUDRA scheme in 2015

to refinance microfinance institutions for giving collateral free loan of 10 lakh to MSMEs.

(2) Recently, a portal launched by SIDBI to clear loan upto 1 crore in less than 1 hour.

(3) Priority sector lending scheme requires Banks to give 7.5% loans to MSMEs.

However, further things can be done.

Way forward

- ~~increase~~ increase collateral free loan limit of 10 crore to 20 crore (U.K. Sinha Committee)
- Government to speed up payments to MSMEs.
- Grievance redressal mechanism for arbitrary decline of loans in MUDRA scheme.

Q 4

Infrastructure needs of country are immense. It is said that infrastructure was needed yesterday not today. It supports all agriculture, manufacture and service sectors. India will invest Rs. 100 lakh crore in infrastructure in next 5 years (2019-20 budget). This can be possible only with public-private partnership.

Roadways has many investment model like Engineering and procurement model, built operate transfer (toll) model and built operate transfer (annuity) model.

However, there are limitations like :→

1. traffic risks.
2. huge investment required from private sector. Twin balance sheets is challenge for raising credit.

Thus, government come with Hybrid annuity model where following are the features :→

(1) EPC (40%) and BOT (annuity) 60% → Means government will pay 40% initially to private sector who will construct the road.

(2) Private sector will operate and maintain the same.

(3) Government will pay 60% in installments. Payments will be phased wise depending on completion of projects.

However challenges like traffic risk and credit availability still hinders private company. Land acquisition still a concern. There is need to resolve land issue and also promote water transport to decongest the roads.

Q6. India's fisheries sector has gained importance worldwide. Fisheries export contribute 10% of total exports. It has been source of livelihoods for millions, alternate source of income and women empowerment (women involved in sorting / cleaning of fish).

Blue economy deals with utilising resources of marine (including fisheries, seafood, collection of minor minerals) to achieve economic development.

Further it can help in following ways :→

Objective

- India has coastline of 7,515 km. Immense potential to harness benefits of fisheries.
- It shall promote sustainable development as small fish vessels allow fish to regenerate.
- Coastal areas will develop
- Exports rise which will earn foreign exchange for India and more employment generation.

There is need to :→

(1) provide running capital to fishery sector through subsidised credit.

(2) Check bottom trawling

(3) Subsidised equipment to be provided

However, our fishery community ensures sustainable development of coastlines. There is need to recharge aquifers, prevent coastal erosion and ~~coastidy~~ coastal regulation zone amendments are good to allow blue economy flourish along with indigenous community.

The latest coastal regulation zone rules allow tourism (sustainable) at coasts for further economic development.

Q7 Electric vehicles are powered by battery (lithium ion) rather than internal combustion engine. They tend to be pollution free, zero carbon emissions and have below further advantages.

Advantages

- low operation cost as compared to petrol/diesel.
- will reduce dependency on oil.
- 50% of transport emissions from two wheelers. (Switching to electric vehicles will be useful). ~~useful~~

Challenges

technical

- India has low manufacturing base for battery packs, cell manufacturing and lithium ion batteries.
- No charging infrastructure.
- Manpower not trained, industry not ready.

Commercial → Though FAME project and recent announcement in budget (2019-20) regarding relaxation of loan limit to buy electric vehicles is welcomed (but) :-

→ Manufacturing sector shall require fiscal help.

→ Currently we import electric equipments, their industries need to be set up.

FAME II has approved Rs. 10,000 crore for capacity building of electric vehicle industry.

NITI Aayog has recently announced that ~~India will no electric no veh only electric vehicle will be sold after 2023~~ two wheelers ~~more~~ less than 150cc and three wheelers would be sold after 2023 and 2025 would be electric only.

There is need for automobile industry to catch up else India will become import house for electric vehicles.

Q8

India will achieve its demography peak in 2041 when 59% population would be between 19-59. India's economic structure is becoming more and more service based. There is need to absorb agriculture workforce in manufacturing sector.

India's demography change

In 2020-30 = population will grow by ~~at~~ 1% annually

In 2030-40 = 0.5% growth rate annually.

So population growth rate is declining. India's elderly population will increase and children population shall decrease.

Hence, ~~[illegible]~~ there is requirement of comprehensive employment policy to absorb youth in employment.

Other benefits → more economic growth as demographic dividend phase will not come again.

→ China's labour is becoming expensive. Time to

Benefits

- attract industries in India.
- (3) → Reduced social unrest.

How to do?

- Reform labour laws.
- Export led growth.
- Encourage savings to mobilise investment.
- Skill development programme.

India will soon enter demographic ~~peaks~~ peak stage, so :→

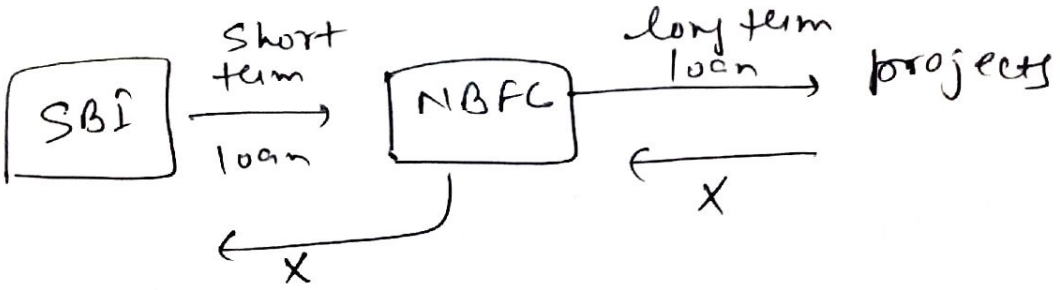
(1) → increase labour force participation rate for working age (59%) by (2041)

(2) → increase quality of education for children ~~to~~ (25%)

(3) → provision of old age pension, retirement age extension and health services for elderlies (16%)

Q11 IL&FS crisis has shocked non-banking sector when it failed to repay its liability towards various banks. Some infrastructure companies have borrowed from NBFC through short term loans to finance its long term infrastructure projects.

Due to non-repayments, banks like SBI, had huge exposure towards these NBFCs, faced liquidity crisis.



~~Non-~~ Regulation of NBFCs

(1) Some NBFCs are regulated by National Housing banks while some are regulated by RBI. There is no uniformity.

(2) No audit (proper) internal as well as from regulator. Once ratings are down, then buyer come in market which is very late.

Crisis

(2) Due to non-availability of long term loans due to NPA crisis, low bond market, NBFCs are forced to finance projects through short term loans.

This regular liability made NBFC under pressure as ~~returns~~ returns from projects come late.

This bring liquidity crisis in the system as NBFCs fulfill 5.6% of loan needs.

Way forward

(1) Proper regulation. Recently RBI has taken over regulation of all NBFCs.

(2) Deepen bond market.

(3) Clear projects in timely manner as many projects run overtime. Interministerial Co-operation required.

(4) Regular audits.

(5) Risk assessment of loans to be done properly.

Q12 Universal basic income is assured income provided to everyone without any discrimination in regular cyclical ~~mana~~ manner. Individual has right to spend according to his choice. There is no exclusion error, it enhances dignity of individual by not asking to do a job to get universal basic income.

Advantages over existing social protection scheme.

1. UBI is Directly in account so enhances financial inclusion.

2. It avoids leakage and increase decision making power of individual. They can spend where they want to.

3. Assured source of income gives them security.

4. It allows them to deal with unforeseen circumstances like death, accident. It restricts them to fall below poverty line.

5. Enhances income inequality in society and prevents concentration of wealth.

Criticism

(1) Fiscal pressure to give UBI to all. If social sector schemes are cut to finance UBI, then crucial social sector schemes of education and health will get hindered.

(2) If it is started, then difficult to roll back.

(3) India's tax base is low. Population is high. UBI is novel idea but not practical now.

(4) It shall make people lazy and many would opt out of labour force.

(5) Chances of spending of money in liquor, unnecessary things shall enhance wastage.

(6) Rather giving income, improve people's capacity to earn.

Way forward

Social sector schemes can not be minimised. Practical idea is minimum income to marginalised which is quasi-universal basic income. PM-KISAN giving Rs 6,000/- annually to all farmers is good for start.

let people ~~to~~ create their capacity through education and health. Government to bring employment opportunity.

All (3) Capacity building (+) Social sector schemes (+) quasi-UBI

to go hand in hand.

Q13 Farm loan waivers are waiving loans taken by farmers for equipments, input cost, transport cost or labour.

This has become a political tool in recent time. Regional parties and even national resort to this promise during elections.

Criticism

1. It disincentive those farmers who have paid timely. They will think not paying in future.

2. Affect credit culture.

3. Increase fiscal pressure on states.

4. It hardly reaches needy farmers. Big farmers tend to corner this also. Farmer suicides is evident to this.

5. Not a permanent solution.

6. Farmers are reduced as vote bank through this promise/practice. Their actual problems not addressed.

Actual problems farmers are facing

1. Low prices for their agricultural produce.

(2) Exploitation of farmers in markets.

(3) Farmers do not have storage facilities, they have to sell produce with whatever price they get.

(4) Lack of easy institutional credit.

(5) Reach of minimum support price is not available to all. MSP is assured for grains, for other crops, it remains on paper.

(6) Lack of awareness about agricultural policies and benefits provided by government specially PM Fasal Bima Yojana.

Farm loan waiver is short term solution and that too not a recommended one. To address rural distress, the way forward is:→

(1) Increase infrastructure, public investment, technology upgradation and irrigation facility to all.

(2) Implement eNAM

(3) Abolish Essential Commodity Act for foods.

(4) Favourable export oriented policies.

Make farmers to return loans and there is need for a unified law on farm loan waiver to prevent its political use.

Q14 Startup is ~~small~~ business ~~started by people~~ not older than 10 years. It must promote innovation. During recent times, startups in India have risen:→

Factors responsible for growth of startups

① Favourable policies such as startup and standup India scheme to promote technological business environment.

② Provisions of incubators for capacity building of start ups, venture capitalists have helped start ups to grow.

③ Tax incentives, reduced compliance on labour laws and favourable intellectual property regimes made startup to thrive. Faster granting approval for IPRs has become a major ~~at~~ catalyst.

④ Easy and faster institutional credit.

Challenges for startups

① Angel tax which means investment by venture capitals over and above market value (fair) of shares is taxable. It has been major hurdle which has been removed in ~~2018-19~~ 2019-20

budget.

(2) Skill gap between demand and supply of youngsters.

~~(3) Institutional credit~~ Easy exit policies to ensure their liquidation in

~~(4) Proper valuation~~

(3) No easy exit policies in case business fails.

(4) Valuation process is not uniform. It is alleged that start ups are valued less due to lack of technological and innovation skill set among regulators/ authorities.

Measures

(1) Promote innovation since school level. Atal tinkering lab is right step.

(2) Easy exit policy by providing quick liquidation.

(3) Hassle free taxation environment.

Q15.

Participatory budgeting is provision for budget allocation ~~and decision making~~ by allowing participation of local level bodies, concerned groups and experts from civil society.

Currently, budget is top down approach which is decided at political leadership ~~decided by~~ assisted by ~~bureaucrats~~ bureaucracy.

The fields are fixed with minor variations every year. Participatory budgetary provides scope to expand the meaning of true democracy.

Significance

(1) Local level participation and all ~~stakeholders~~ stakeholders involvement would better direct budget towards needs of all people.

(2) It shall provide bottom up approach → true democratic decentralisation.

(3) Grassroot groups better know their needs.

(4) Currently budget, funds and grants are ~~tied~~ tied to policies. less

freedom to spend elsewhere even if it is ~~[illegible]~~ ~~[illegible]~~ crucial to spend.

(5) Make social auditing effective

However there are below challenges:→

(1) State and Centre are reluctant to share power and allocation of budgetary decisions.

(2) Difficult to arrive at consensus. Delay in implementation.

(3) The centre knows better the needs of national security, defense and social sector schemes as it is equipped with all data sets.

Thus, it can be considered like provision of gender budgeting. Further, deliberations can be done to arrive at consensus about its need.

Q16 Narsimhan Committee (in 1998) has recommended consolidation of banks to have three layered structure :→

Level I → 3 Banks of global competitive value (for big infra needs).

↓

level II → 6-8 National banks to cater needs of nation

↓

level III → Banks to fulfil small sector, marginalised people needs

Benefits

① Merger and consolidation of banks shall improve balance sheet of banks, improve capital availability and reduce provisioning of capital for NPAs.

② It will address needs of large scale funds to meet infrastructure demands.

③ At global level, they can compete with their peers and have standing in international financial governance framework.

(4) Their regulation would be easy.
(5) Rationalization of branches.

Challenges

(1) Good banks are reluctant to merge with weaker banks.

(2) Trade Unions oppose

(3) Need hard negotiations and common acceptance programme to realise it.

(4) Merger and consolidation shall only add and subtract the balance sheets. Position would improve only if actual NPA decreases and their capital increases through recapitalisation.

However, due to positives and negatives, consolidation is advisable to have international best practices at bigger banks. Recent amalgamation of Dena bank, Vijay bank and Bank of Baroda would rationalise the branches. Common IT infrastructure would be created and customer base would improve. That will reduce cost and increase revenue.

At the same time, government can not have many too big to fail banks currently SBI, ICICI and HDFC, this

will bring risks. Regulatory and audit framework need to be improved and effective.

Q17 There are numerous state labour laws and 44 central labour laws that a company has to follow. This has reduced investment in labour intensive sector resulting in huge unemployment

Criticism of labour laws

(1) Complex, rigid and outdated in post liberalised economy.

(2) It restricts enterprises to grow in number. As with expansion they will have to follow more laws.

For ex. The industrial dispute act, 1948 does not allow company to fire an employee if it employees more than 100, unless proper permission.

(3) Increased cost due to less contract labour.

NITI Aayog vice-chairman says that no one in this country can follow all labour laws.

Steps taken by government

(1) Government has reduced drastically number of registers required in a firm to ease compliance

(2) Government has brought fixed term employment for some sectors.

(3) Proposal to convert 44 labour laws (central) in to 4 codes.

- The minimum wage code (1)
- The occupational safety and health of workers code. (2)
- The industrial relations code (3)
- The social welfare code. (4)

Code number (1) and (2) are approved by cabinet very recently.

Benefits of easy labour laws

(1) Increased investment. Ease of doing business will bring employment by inveting labour intensive sectors such as leather, textile.

(2) To reap benefits of demography peak (2041)

(3) To achieve higher economic growth in highly competitive and protectionism world.

States should also reform their labour laws to win in competitive co-operative federalism structure

Q18 Special economic zone are the places where export led manufacturing and service sector is promoted. They are provided tax benefits, reduced compliance on labour laws and subsidised power, electricity.

It is promoted through special economic zone Act, 2005 but faced below challenges.

Challenges

1. Export led production needs quality skilled labour, technical expertise and international best practices. China has already taken edge here. Though exports have increased but not such an extent.

2. Stiff competion from manufacturing experts of East Asian and South East Asian economies.

3. challenge from Vietnam and Bangladesh in textile sectors. They are able to get projects due to aging labour force of China. Indian labour laws restricted the industries to grab that opportunity.

(4) Copied approach from China could not provide results as external conditions (trade wars) and internal (NPAs, twin balance sheets) provide challenges.

Measures

(1) Improve skill level to meet industry demands.

(2) Protection of domestic industries from dumping of cheaper goods.

(3) Preference to sunrise industries like electric vehicles.

(4) Business to business co-operation at international levels.

(5) States should provide enough concessions.

(6) Land acquisition laws to be reformed in accordance to maintain balance with local level aspirations and economic growth.

(7) Quick approval and clearence on environmental issues.

Q19 Manufacturing sector in India could not absorb work force from agriculture. Growth model shifted from agriculture to service sector directly.

Manufacturing sector's contribution in GDP is around 24% which remained same if compared to 1947 or 1991.

The share of service sector has increased though.

Reason

(1) Technological upgradation has not taken place so fast. Economies of scale has improved marginally

(2) Growth model focused directly on capital intensive sector directly. At that time masses have low purchasing power. So inefficient public sector in final result.

(3) Low competitiveness.

(4) Price of manufacturing goods has increased very slowly as GDP is product of quantity and price level. Thus it remained low.

Price rise is very slow due to cheap flow of goods from abroad post globalisation; forced domestic producers to adopt economies of scale. To remain competitive, price went low overall.

Achievements of Manufacturing policy, 2011

The objectives of manufacturing policy, 2011 is to increase manufacturing base and increase share of ~~GDP~~ manufacturing sector in GDP by 5% in next 10 years

The objective is far from achievement as in 2011 GDP for manufacturing was 24.0) and now it is 24.5%.

Though it has brought consciousness to prioritise our manufacturing sector.

Way forward
- Attract investment
- Attract industries from China escaping due to trade war and increased labour cost
- reform labour laws
- improved skills.

Q 20. Capital to output ratio determines the efficiency of economy. It is the amount of capital required to produce one unit of output. Lower is the (ICOR), better is the economy.

Developing country priority

(1) To improve ICOR by producing more and more output. As capital goods can only enhance production in future, so more and more capital goods needs to be fed in economy to enhance production. Better or lower is $\frac{\text{capital}}{\text{o/p}}$ ratio better is the production.

(2) To sell excess production, the purchasing power of domestic consumers need to be increased but there is a limit. Hence developing country needs to export the excess output.

To improve investment

(1) Investment can be improved by FDI, external commercial borrowing but that is limited. FDI can not grow more

then 5-6% of GDP. ECB brings risk such as currency fluctuation may increase cost of loans.

(2) So the preferrable source for investment is savings (domestic)

Domestic savings need to grow to 40% of GDP to feed into investment. But there are constraints :→

Constraints.

(1) People saving more but may not be depositing in banks. They may purchase gold or invest in real estate.

(2) Banks having more savings are unable to lend due to NPAs, twin balance sheet problem and less capital in hand.

Measures.

~~(1) Economy first need to create capital goods, so that productivity can be increased in future but that requires investment.~~

~~(2)~~

(1) Allow Banks to lend through recapitalisation. Banks must be given a push.

(2) More loans → more capital → more productivity → more employment → more savings → more loans.

(3) Industry would be able to repay loans due to exports (because productivity brings competitiveness).

Savings - investment - export is virtuous cycle that feeds into each other and animal spirits in economy thrive

Q9. Recently India has come up with e-commerce policy in lieu of expanding online retail business, transactions and purchasing. Internet connectivity (around 45 crore smart phones in India sold) is reaching all.

IT Act, 2000 provides for rules and safeguards for e-commerce and the act recognizes such transactions but there is need to have dedicated e-commerce policy.

Need

(1) Privacy concerns of people. The data of our public should not be used for politically or economically gains.

(2) Protection of interests of consumers on e-commerce market place.

(3) Provide level playing field to offline retailer and street shoppers.

(4) Foreign online retailers are misusing the FDI (100% clause for online retailing in trade) by storing

Inventory. Government has come strictly on those companies.

(5) Proper regulation of e-commerce place.

(6) To bring rules in accordence with international best practices such that European Union can not deny indian software industries projects due to poor ecommerce or poor data regulation.

Q10

Indian banking sector is crumbling with large NPAs having 9.6% of total loans as NPA as on 31/03/19. Due to there, private sector is unable to finance its investment needs. SEBI regulation restricts them to expand equity. The bond market in India is weak and they are made to borrow from foreign creditors.

Need of bond market

(1) As, twin balance sheet problem has not resolved, banks face capital crunch, recapitalization of banks has worked to an extent. Yet, banks are not in position to finance the infrastructure needs of economy.

(2) The bond market provide reliable alternate for ~~the~~ capital. Long term large investment needs can be fulfilled from this only.

Weaknesses

1. Reluctance to extend capital to companies on fear of becoming NPAs.
2. Mutual funds have invested their funds in equity and government sources.
3. Government has crowded out private investment.

Thus, infrastructure companies have to finance the projects from non-banking finance companies which is shadow banking. Various risks involved in this. External commercial borrowing puts pressure on companies to pay in dollars in future.

Thus, bond market need to be developed.